

## What's the Solution?

Natural gas rates are expected to continue to rise, and these higher prices are affecting everyone – even if you don't heat with natural gas. So what can we do? Together, we can make a difference:

- The EIA is now reporting that **household heating oil expenditures are going to average 27 percent less than last year. That's an estimate of more than \$630 saved per year! Don't change a good thing.**
- Tell the utilities and your legislators to **stop pushing natural gas expansion** while there's insufficient distribution.
- Consider **upgrading your heating equipment** to lower your energy usage.
- Remember the basic energy saving advice mom and dad gave: **shut the lights and TV off** when you're done ... and the computers and video games, too.
- Call us, your local Oilheat dealer, for more energy saving advice.



Get the facts about your energy supply. Visit  
[AmericanEnergyCoalition.org](http://AmericanEnergyCoalition.org)



### Sources:

<sup>1</sup> Institute for Energy, 11/25/14, "Electricity Rate Increases Begin in New England"

<sup>2</sup> Berkshire Eagle, 10/1/14, "National Grid customers, lawmakers charged up over rate increase"

<sup>3</sup> Boston Business Journal, 8/18/14, "Gov. Patrick backs away from regional effort to expand natural gas capacity"

<sup>4</sup> Hartford Courant, 11/7/14, "CL&P Electric Rates to Jump 26 Percent Starting in January"

<sup>5</sup> Berkshire Gas, December 2014

<sup>6</sup> WGBHNews.org, 11/17/14, "Energy Future: New England May Face Scheduled Blackouts Due to Poor Natural Gas Supply"

<sup>7</sup> Berkshire Eagle, 10/1/14, "National Grid customers, lawmakers charged up over rate increase"

<sup>8</sup> WFSB.com, 11/17/14, "CL&P Stock Prices Up but Still Seeks Rate Hike"

# Thank the Natural Gas Utilities



# for Higher Electric Rates

# Electric rates are rising in Mass. – with no sign of stopping – and all fingers point to natural gas rates.

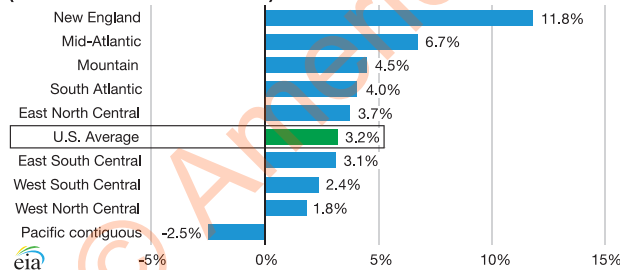


Pick up a paper. Turn on the news. Open your electric bill. **Massachusetts electric rates are rising to unprecedented levels. National Grid is raising electric rates by 37 percent** or about \$33 per month, **NStar rates are increasing 29 percent** or \$28 per month; and Western Massachusetts Electric is going up 29 percent as well, or \$26 per month.<sup>1</sup> These are the highest rates Massachusetts has seen since 1998 when the state overhauled its electricity market.

## Blame Natural Gas Distribution

That's right. **Your electric bill is going up because the natural gas distribution system can't meet the need in our area.** Even though the gas utilities are pushing for more businesses and homeowners to convert to gas heat, the infrastructure isn't in place to supply the customers and the power plants. Some people have questioned the providential timing of extreme pricing coinciding with filings to expand pipelines in Massachusetts.<sup>2</sup>

Change in average residential electricity prices by Census division (first half 2014 versus first half 2013)



(Chart courtesy EIA.gov, "Today in Energy" September 2, 2014)

Natural gas distribution is such an important issue that the six New England governors developed a plan to add a regional tariff to electric rates to expand the pipelines. Former Governor Patrick put a halt on the plan so state officials could look into other options,<sup>3</sup> but whether through tariffs or higher rates, electric customers are paying for the natural gas infrastructure.

"The lack of pipeline infrastructure has raised fuel adequacy for natural gas generators to the top of the list of pressing concerns for New England's power system," according to Gordon van Welie, chief executive of ISO New England.<sup>4</sup>

Natural gas is now used to generate close to 50 percent of the region's electricity, and there's not enough pipeline to carry the gas into New England. Berkshire Gas has already **imposed a moratorium on new customers or expanded services until at least 2018<sup>5</sup>** because the pipelines are at near capacity, and **ISO New England is discussing the possibility of rolling blackouts** in the near future.<sup>6</sup> On peak usage dates, large commercial and industrial customers, including the electric companies, can be ordered to switch to an alternate fuel – often heating oil – because of pipeline limitations. These same industrial customers may see **rate increases as high as 75 percent, or \$19,000 per month.<sup>7</sup>**

Of course, **there's a profit issue at stake for the electric companies**, too. Even as electric utilities are increasing rates to cover rising costs, many of these companies are enjoying a record year on Wall Street, and **expect to increase stockholder dividends thanks to the increase in rates for consumers.<sup>8</sup>**